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WIRELINE COMPETITION BUREAU AND OFFICE OF ECONOMICS AND ANALYTICS RELEASE RESULTS FROM SUPPLY CHAIN SECURITY INFORMATION COLLECTION

Universal Service Fund Support Recipient Networks with Huawei and ZTE Equipment and Services

Identified

WC Docket No. 18-89

By this Public Notice, the Wireline Competition Bureau (WCB) and the Office of Economics and Analytics (OEA) release public results from the Supply Chain Security Information Collection, which was conducted in response to the Commission's *2019 Supply Chain Order*.¹

In the 2019 Supply Chain Order, the Commission directed WCB and OEA to conduct an information collection to determine whether Eligible Telecommunications Carriers (ETCs), or their affiliates and subsidiaries, own equipment or services from Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE), or their respective subsidiaries, parents, or affiliates. The Order also directed WCB and OEA to collect information about the nature of the equipment and services, the costs associated with purchasing and/or installing such equipment and services, and the costs associated with removing and replacing such equipment and services.²

The 2019 Supply Chain Order further directed WCB, after receiving and evaluating ETC submissions, to consider making this information public. The Commission directed staff to consider the "potential confidentiality of any information submitted, particularly where public release of such information could raise security concerns . . ." but also directed that "the public interest in knowing whether a carrier uses equipment or services from Huawei or ZTE would significantly outweigh any interest the carrier would have in keeping such information confidential."

Consistent with the 2019 Supply Chain Order, attached is a list of ETCs that have reported the presence or use of Huawei or ZTE equipment and/or services in their networks, or in the networks of their

¹ See Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, WC Docket No. 18-89, Report and Order, Further Notice of Proposed Rulemaking, and Order, 34 FCC Rcd 11423, 11481-82, para. 162 (2019) (2019 Supply Chain Order). In the 2019 Supply Chain Order, the Commission initially designated Huawei Technologies Company (Huawei) and ZTE Corporation (ZTE), and their affiliates, subsidiaries, and parents, as covered companies for the purposes of this prohibition. *Id.* at 11442, para. 47; *id.* at 11447, para. 59. On June 30, 2020, the Public Safety and Homeland Security Bureau released final designation orders designating Huawei and ZTE as covered companies for the purposes of the Commission's rules. See generally Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – Huawei Designation, PS Docket No. 19-351, Order, DA 20-690 (PSHSB Jun. 30, 2020); Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs – ZTE Designation, PS Docket No. 19-352, Order, DA 20-691 (PSHSB Jun. 30, 2020).

² 2019 Supply Chain Order, 34 FCC Rcd at 11482, para. 165.

³ *Id.* at 11482, para. 166.

affiliates or subsidiaries. Based on information WCB and OEA collected through the information collection, all filers report it could cost an estimated \$1.837 billion to remove and replace Huawei and ZTE equipment in their networks. Of that total, filers that appear to initially qualify for reimbursement under the Secure and Trusted Communications Networks Act of 2019 report it could require approximately \$1.618 billion to remove and replace such equipment.⁴ WCB and OEA note that other providers of advanced communications may not have participated in the information collection and yet still be eligible for reimbursement under the terms of that Act. WCB and OEA are continuing to review the cost data submitted in the Supply Chain Security Information Collection as part of our ongoing proceeding, which will support the Commission's efforts to implement the Secure and Trusted Communications Networks Act of 2019, including establishing the Secure and Trusted Communications Reimbursement Program.⁵

For additional information, visit the FCC's Supply Chain Data Collection webpage at www.fcc.gov/supplychain, or contact Brian Cruikshank at (202) 418-3623 or via email at Brian.Cruikshank@fcc.gov.

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⁴ For purposes of this estimate, staff did not include the costs associated with educational entities that have not yet shown that they are "providers of advanced communications" nor those providers that appear to have more than 2,000,000 customers. *See* Secure and Trusted Communications Networks Act of 2019 § 4(b) (codified at 47 U.S.C. § 1603(b)).

⁵ Pub. L. No. 116-124, 133 Stat. 158 (2020) (codified as amended at 47 U.S.C. §§ 1601–1609). *See Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs*, WC Docket No. 18-89, Declaratory Ruling and Second Further Notice of Proposed Rulemaking, FCC 20-99, paras. 54-55 (July 16, 2020).

Attachment

Eligible Telecommunications Carriers with Existing Huawei and ZTE Equipment and Services

Holding Company Name

Adak Eagle Enterprises, LLC Albion Telephone Company, Inc. América Móvil American Broadband Communications et al. American Samoa Telecom, LLC ATN International, Inc. Baraga Telephone Company Inc. Bristol Bay Cellular Partnership Buffalo Lake Erie Wireless Systems Co. LLC CenturyLink, Inc. Chariton Valley Telephone Corporation Cincinnati Bell Inc. Cintex Wireless, LLC Copper Valley Telephone Cooperative Crystal Automation Systems, Inc. DeKalb Telephone Cooperative, Inc. ENMR Telephone Cooperative, Inc.

Copper Valley Telephone Cooperative
Crystal Automation Systems, Inc.
DeKalb Telephone Cooperative, Inc.
ENMR Telephone Cooperative, Inc.
Futurum Communications Corp.
Gallatin Wireless Internet, LLC
Hargray Communications Group, Inc.
Hilawatha Communications, Inc.
Hilliary Communications, LLC
IdeaTek Systems, Inc.
JAB Wireless, Inc.

James Valley Cooperative Telephone Company Laurel Highland Total Communications, Inc.

Leaco Rural Telephone Cooperative, Inc. LICT Corporation Mark Twain Rural Telephone Company Mercury Network Corporation Metronet Holdings, LLC Natural G.C. Inc. NE Colorado Cellular, Inc. Nemont Telephone Cooperative, Inc. NewPhone Wireless, LLC North American Local, LLC Oklahoma Western Telephone Company Panhandle Telephone Cooperative, Inc. Pine Belt Communications Co. Inc. Pine Telephone Company Roome Telecommunications Inc. Santel Communications Cooperative SI Wireless, LLC TC Telephone, LLC Texas 10, LLC Triangle Telephone Cooperative Assn., Inc. Union Holding Corp. United Telephone Association, Inc. Verizon Communications Inc.